

WARNING LETTER

REGISTERED MAIL - RETURN RECEIPT REQUESTED

May 5, 1998

Mr. M. L. Ottem
Manager of Operations
Trans Mountain Oil Pipeline Corporation
1333 West Broadway, Suite 900
Vancouver, B.C. V6H4C2

CPF NO. 58509W

Dear Mr. Ottem:

On April 20 - 23, 1998, a representative of the Western Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of Trans Mountain Oil Pipe Line Corporation (TM) facilities, manuals, and records near Bellingham, Washington. As a result of the inspection, it appears that you have committed probable violations, as noted below, of pipeline safety regulations, Title 49, code of Federal Regulations, Part 195. The probable violations are:

- 1. §195.420 (b) requires each operator to, at intervals not exceeding 7 ½ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.**

Trans Mountain personnel did not inspect all of their mainline valves to ensure they were functioning properly during the last 7 ½ months. Three mainline gate valves had not been properly inspected within the required inspection cycle. The late valve inspections, including their last inspection date, are listed below:

<u>Valve Designation</u>	<u>Date Last Inspected</u>
MU 43	07/29/97
MU 48	07/30/97
MB 03	07/30/97

Valve inspections must, at a minimum, include partial stroking of the valves to indicate they are functioning properly. Full stroking of the valve is preferable, however, to help ensure that the valve seats correctly and can fully open or close. Valves should be maintained in accordance with the manufacturer's recommended practices.

2. **§195.428 requires each operator, at intervals not exceeding 15 months, but at least once each calendar year, to inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.**

The 6-inch consolidated relief valve at the Laurel Station was not properly inspected in 1997. At the time of our inspection, this relief valve had not been tested to ensure proper and reliable operation since June 24, 1996. Verification that relief valves are set to, and function at, the correct set point is required during the annual inspection and testing of over-pressure safety devices.

Under 49 United States Code, §60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violations persists up to a maximum of \$500,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to assess you a civil penalty. We advise you, however, that should you not correct the circumstances leading to the violations, we will take enforcement action when and if the continued violations comes to our attention.

In addition to the above listed probable violations, the inspection revealed additional areas that are cause for concern. I hope that you will consider the following concerns as constructive relating to continued pipeline safety.

- S Many of the mainline block valves are partially buried. The originally applied tar coating on the valve bodies appear to be desiccated and peeling near the ground surface. Cathodic protection "pipe-to-soil" readings taken during our field investigation revealed "instant off" or voltage-drop free readings of -.852 volts at both valves MU 14 and MU 15.

- S These cathodic protection readings barely meet the -.85 volt criteria. It appears that cathodic protection levels in the vicinity of buried mainline valves may be locally depressed due to inadequately coated valve bodies. We recommend that Trans Mountain aggressively pursue their current program to construct vaults around their mainline valves. This will improve the cathodic protection levels on the remaining buried pipeline facilities. In addition, providing vaults around the valves will allow more thorough valve maintenance, provide rapid leak detection, and minimize the effects of valve leaks.
- S There are three mainline check valves in the U.S. portion of the Trans Mountain Pipe Line system. These valves are strategically placed to minimize damage or pollution resulting from a pipeline spill. We recommend that, to the maximum extent practicable, mainline check valves be inspected and tested at the same frequency as the mainline gate valves. Where possible, we recommend that this be done during scheduled system shutdowns so Trans Mountain personnel can monitor pipeline pressure on the upstream and downstream sides of each check valve using the valve bypass piping. The results of this pressure monitoring will allow Trans Mountain to qualitatively assess the condition of their check valves, and determine the need for additional valve maintenance.

You will not hear from us again with regard to the noted inspection and our subsequent action. Because of the good faith that you have exhibited up to this time, we expect that you will act to bring your pipeline and your operations into compliance with pipeline safety regulations.

Sincerely,

Edward J. Ondak
Director

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